

Opening Statement of Greg Walden
Communications and Technology Subcommittee Hearing
on H.R. ____, a Bill to Clarify NTIA and RUS Authority to Return Reclaimed
Stimulus Funds to the U.S. Treasury
(Remarks Prepared for Delivery)

Welcome. Today is the Subcommittee's second hearing concerning the broadband stimulus programs administered by NTIA and the Rural Utility Service. We will be discussing oversight of the programs and legislation to address risks and ambiguities highlighted by the Inspectors General at our last hearing. We are pleased to have Assistant Secretary Stickling and Administrator Adelstein with us here today, and I want to thank them and their staffs for their help with the bill.

The NTIA and RUS have awarded \$7 billion covering 553 awards in a very short time. The dust is still settling, but as we heard during the February hearing, it is logical to expect that issues of fraud, waste and abuse will start popping up now that the money is beginning to flow.

So far, award recipients have spent approximately 5 percent of the funds. Approximately a dozen recipients have decided not to pursue their projects and returned their awards worth approximately \$70 million. Some have cited the economy and their inability to fulfill their obligations if they moved forward. With 95 percent of the funding yet to be disbursed, the question is how many programs will run into hiccups down the road.

As stewards of the taxpayers' money, I know we all want to prevent misspent funds and fraud. So when the Inspectors General, Comptroller General, or Administrators identify issues, it is important they are able to quickly determine whether there is a problem and take appropriate action. It is also important Congress be apprised of such developments in a timely fashion and be made aware of the decisions the Administrators make.

While we are not seeking to change the programs, we will continue to ask the important questions, including what criteria is used to determine when it's time to terminate an award. Out of fairness to the applicants who were denied stimulus money, the successful applicants that are abiding by the terms of their awards, and most importantly the taxpayer, if an award recipient doesn't comply with the terms of the award, it should be terminated.

I believe the legislation we are considering accomplishes these goals. Working with the minority and all stakeholders, we have improved the language and addressed a number of concerns. I am sure if it needs further refinement we can address any remaining concerns before Full Committee consideration.

The legislation clarifies the Administrators' responsibility to deobligate funds when there is cause to terminate the award. Additionally, it institutes a new reporting requirement that will keep Congress apprised of relevant developments regarding awards.

I thank Mr. Bass for taking leadership of this modest but necessary legislation. I hope we can work expeditiously in a bipartisan manner to move this out of Committee and turn to a number of legislative issues that will consume more of our time and resources.

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